

CONSOLIDATED INCOME ACCOUNT
 for the year ended December 31, 1927

Sales to customers	-	-	-	-	-	\$25,924,855.68
Cost of sales						
Merchandise, supplies, prizes, labor, warehouse expense and freight and trucking to stores	-	-	-	\$19,984,644.18		
Depreciation of plant and warehouse equipment	-	-	-	45,226.79		20,029,870.97
Gross profit	-	-	-	-	-	\$5,894,984.71
Selling and general expenses						
Store expenses, salaries of clerks, managers and superintendents, other expenses	-	-	-	\$5,032,230.05		
General expense	-	-	-	362,031.43		
Depreciation of distributing equip- ment	-	-	-	99,517.50		5,493,778.98
Profit from operations	-	-	-	-	-	\$401,205.73
Add						
Profit on sale of capital assets	-			\$4,911.93		
Miscellaneous income, interest, etc.	-			12,834.49		
Commissions	-	-	-	24,170.96		41,917.38
						\$443,123.11
Deduct						
Interest and discounts on notes payable	-	-	-			28,979.20
						\$414,143.91
Allowance for federal income taxes	-	-	-			11,000.00
Net profit to surplus	-	-	-	-	-	\$403,143.91

ANNUAL REPORT

1927

JONES BROTHERS
TEA COMPANY

INCORPORATED

70 JAY STREET, BROOKLYN, N. Y.

JONES BROTHERS TEA COMPANY

CONSOLIDATED BALANCE SHEET

ASSETS

Current assets

Cash in banks and on hand	-	-	-	-	\$332,894.12
Accounts receivable, net of reserves					
Coffee	-	-	-	\$461,048.03	
Trade and miscellaneous	-	-	-	118,795.21	
Advances to agents	-	-	-	12,364.29	592,207.53
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Inventories of merchandise, materials and supplies at cost					3,254,334.44
Prepaid expenses, insurance, taxes, etc.	-	-	-	-	48,849.95
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Total current assets	-	-	-	-	\$4,228,286.04
Investments at cost	-	-	-	-	68,550.10
Real estate at cost	-	-	-	-	308,905.40
Machinery, fixtures and equipment at cost				\$1,922,089.02	
Less, Provision for depreciation and revaluation	-	-	-	1,059,708.40	862,380.62
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Deferred charges to operations	-	-	-	-	12,717.79
Good-will, trademarks, etc.	-	-	-	-	1,780,457.11

\$7,261,297.06

We have examined the accounts of the JONES BROTHERS TEA COMPANY that, in our opinion, the above statement sets forth correctly the financial position and fairly reflects the net earnings of the companies for the fiscal year then ended.

New York, February 2, 1928.

COMPANY, INC., AND ITS SUBSIDIARIES

INCOME STATEMENT as at December 31, 1927

LIABILITIES			
Current liabilities			
Notes payable, banks	-	-	\$600,000.00
Acceptances under bankers' credits for importation of coffee	-	-	408,404.48
Accounts payable			
Coffee	-	\$414,243.55	
Trade	-	328,430.81	742,674.36
Accrued expenses, pay roll, insurance, property taxes, commissions, etc.			56,727.08
Federal income taxes	-	-	11,000.00
Total current liabilities	-	-	\$1,818,805.92
Mortgages on real estate	-	-	69,000.00
Reserves for unredeemed premium tickets and contingencies			212,286.93
			<u>\$2,100,092.85</u>
CAPITAL			
Capital stock			
Preferred 7 pct. cumulative authorized and issued 40,000 shares at \$100 par			\$4,000,000.00
Less, Redeemed 2,400 shares	-		240,000.00
Total outstanding	-		<u>\$3,760,000.00</u>
Note: Unpaid dividends on the preferred stock have accumulated since June 30, 1924.			
Common stock, authorized, issued and outstanding, 100,000 shares of no par value	-	-	100,000.00
			<u>\$3,860,000.00</u>
Surplus			
Balance, January 1, 1927, adjusted	-	\$898,060.30	
Net profit for year ended December 31, 1927	-	403,143.91	1,301,204.21
			<u>5,161,204.21</u>
Note: Under the terms of the consolidation agreement dated December 5, 1916, the company was obligated at December 31, 1927 to have set aside out of surplus \$500,000 as a reserve for additional working capital.			
			<u><u>\$7,261,297.06</u></u>

ROSS TEA COMPANY, Inc., and its Subsidiaries as at December 31, 1927, and we certify financial position of the combined companies at that date and the appended income account then ended.

LYBRAND, ROSS BROS. & MONTGOMERY
Accountants and Auditors